

DOWNTOWN MONTESSORI ACADEMY, INC.

ANNUAL AUDIT REPORT

JUNE 30, 1999

Prepared by:
Hau and Associates, S.C.
Certified Public Accountants
1208 West Layton Avenue
Milwaukee, Wisconsin 53221

DOWNTOWN MONTESSORI ACADEMY, INC.

JUNE 30, 1999

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INDEPENDENT AUDITOR'S REPORT

September 7, 1999

To the Board of Directors of
Downtown Montessori Academy, Inc.

We have audited the accompanying statement of financial position of Downtown Montessori Academy, Inc. (a not-for-profit organization) as of June 30, 1999, and the related statement of activities, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the School's officers and directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Governmental Auditing standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Downtown Montessori Academy, Inc. at June 30, 1999, and the changes in its net assets and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated September 7, 1999 on our consideration of Downtown Montessori Academy, Inc.'s internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contract, and grants.

Hau & Associates, S.C.

DOWNTOWN MONTESSORI ACADEMY, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 1999

<u>ASSETS</u>	As of June 30 1999
Current Assets:	
Cash - Note 2	\$ 25,073
Accounts receivable, net of allowance for doubtful accounts - Note 3	9,145
Prepaid expenses:	
Insurance	3,933
Rent	2,317
Total current assets	<u>\$ 40,468</u>
Other Assets:	
Security deposits	2,317
Total assets	<u>\$ 42,785</u>
<u>LIABILITIES AND NET ASSETS</u>	
Current Liabilities:	
Accounts payable	\$ 3,631
Payroll taxes payable	5,083
Accrued wages	10,612
Accrued personal property taxes	30
Due to Practical Programs, Inc. - Note 5	8,764
Total current liabilities	<u>\$ 28,120</u>
Net Assets:	
Unrestricted	14,665
Total liabilities and net assets	<u>\$ 42,785</u>

The accompanying notes are an integral part of the financial statements.

DOWNTOWN MONTESSORI ACADEMY, INC.
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

<u>Revenues:</u>	<u>Fiscal Year Ended</u> <u>June 30, 1999</u>
Educational fees:	
Charter program	\$ 72,624
Grade school - Primary Montessori	51,035
Tuition	14,001
Day care:	
W-2 payments	69,728
Infant/toddler	59,465
After school program	25,919
W-2 copayment	19,690
Contributions	100
Fundraising	367
Interest income	5
Other income	24
Total revenue	\$ 312,958
<u>Expenses:</u>	
Operating expenses:	
Salaries - Teachers/coordinator	\$ 146,397
Salaries - Principal/administrative	34,706
Related payroll taxes	13,090
Fringe benefits	11,124
Employment expenses	256
Equipment repairs	60
Program equipment	745
Student activities	659
Supplies	10,925
Training	1,953
Total operating expenses	\$ 219,915
Occupancy Expenses:	
Rent - Note 4	\$ 36,000
Utilities	3,301
Repairs and maintenance	5,702
Total occupancy expenses	\$ 45,003
General and Administrative Expense:	
(See schedule)	24,754
Other Expenses:	
Bad debt expense	8,500
Finance charge	309
Total other expenses	8,809
Total Expenses	\$ 298,481
Excess of Revenues over (under) Expenses	\$ 14,477

The accompanying notes are an integral part of the financial statements.

DOWNTOWN MONTESSORI ACADEMY, INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	<u>Fiscal Year Ended June 30, 1999</u>
Net Assets, Beginning of Fiscal Year:	
Unrestricted	\$ 188
Temporarily restricted	-
	<u>\$ 188</u>
 Excess of Revenues over (under) Expenses	 <u>14,477</u>
 Net Assets, End of Fiscal Year:	
Unrestricted	\$ 14,665
Temporarily restricted	-
Total	<u>\$ 14,665</u>

The accompanying notes are an integral part of the financial statements.

DOWNTOWN MONTESSORI ACADEMY, INC.
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	<u>Fiscal Year Ended June 30, 1999</u>
Cash Flows from Operating Activities:	
Excess of revenues over (under) expenses	\$ 14,477
Adjustments to reconcile net income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Decrease (increase) in:	
Accounts receivable	(9,145)
Prepaid expenses:	
Insurance	(3,933)
Rent	(2,317)
Security deposits	(2,317)
Increase (decrease) in:	
Accounts payable	3,631
Payroll taxes payable	5,083
Accrued wages	10,612
Accrued personal property taxes	30
Expenses advanced by Practical Programs, Inc. - Note 5	8,764
Net cash provided by operating activities	\$ 24,885
Net increase (decrease) in cash	\$ 24,885
Cash at beginning of fiscal year	188
Cash at end of fiscal year - Note 2	\$ 25,073

The accompanying notes are an integral part of the financial statements.

DOWNTOWN MONTESSORI ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

Nature of the Organization

Downtown Montessori Academy, Inc. (the Academy) was founded in 1998 to provide educational services to children in the Milwaukee area. The Academy also operates a day care center. Since 1998, the Academy has been receiving funds from the Wisconsin Department of Public Instruction in relation to being a charter school with the city of Milwaukee, as well as tuition payments from parents and payments from Milwaukee County for day care services.

Note 1 – Summary of Significant Accounting Policies

Method of Accounting

The Academy's financial statements have been prepared on the accrual basis of accounting. As such, revenues are recognized when earned, and expenses and related liabilities are recorded in the period incurred.

Financial Statement Presentation

In July, 1998, the Academy elected to adopt Statement of Financial Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Academy is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Academy is required to present a statement of cash flows.

The Academy's operating net assets represent the portion of unrestricted, expendable funds that are available for the support of the Academy's general operations.

Allowance for Doubtful Accounts

Management has identified receivables that they believe they will have difficulty collecting and has calculated an allowance based upon past experience.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Downtown Montessori Academy, Inc. had no temporarily or permanently restricted net assets during the fiscal year ended June 30, 1999.

Income Taxes

The Organization has received a favorable determination with respect to tax exempt status from the Internal Revenue Service under provisions of Section 501 (c) (3) of the Internal Revenue Code. In addition, the Internal Revenue Service has determined that Downtown Montessori Academy, Inc. is not a "private foundation" within the meaning of Section 509 (a) of the Internal Revenue Code. There was no unreported business income during the fiscal year ended June 30, 1999.

DOWNTOWN MONTESSORI ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 1999

Advertising

The Academy expenses advertising costs when they are incurred. Advertising costs totaled \$6,184 for the fiscal year ended June 30, 1999.

Fiscal Period

The Academy's fiscal year-end commences July 1, and ends June 30 to coincide with the school year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, if any, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 – Cash and Cash Equivalents

Cash consists of a non-interest-bearing checking account, with a balance of \$25,073 as of June 30, 1999.

Note 3 – Accounts Receivable

The balance in accounts receivable at June 30, 1999 consists of unpaid tuition from non-Charter students and from the Wisconsin Department of Public Instruction (DPI) for the Charter program. Management has identified an allowance for doubtful accounts for those receivables deemed to have little likelihood of collection, based upon past experience.

Accounts receivable consists of the following:

<u>Description:</u>	<u>As of</u> <u>June 30, 1999</u>
Accounts receivable - DPI	\$ 1,222
Accounts receivable - parents	16,423
Less: Allowance for doubtful accounts	<u>(8,500)</u>
Net	<u>\$ 9,145</u>

Note 4 – Operating Lease Commitments

Downtown Montessori Academy, Inc. leases premises located at 1718 North First Street. The monthly rent is \$3,600 and the lease runs from August 1, 1998 to July 31, 2000 with a renewal term from August 1, 2000 to July 31, 2002. For the fiscal year ended June 30, 1999, rent expenses totaled \$36,000.

DOWNTOWN MONTESSORI ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 1999

Note 4 – Operating Lease Commitments - Cont'd

Effective September 1, 1999, Downtown Montessori Academy, Inc, entered into an agreement to lease premises located at 2119 East Kenwood Avenue. The lease term is through September 1, 2003, with an automatic one-year renewal term unless either party notifies the other in writing of their intent not to renew by February 1 of the year of non-renewal. The monthly rent is \$2,317.33 for September 1, 1999 through August 31, 2000. The lease payment sum shall be increase annually in accordance with the Federal Published Consumer Price Index for Milwaukee, All Urban Consumers, for January of the lease year as compared to the previous January.

Future minimum lease payments required under operating lease with initial non-cancelable lease terms of one year or more are as follows:

<u>Location:</u>	<u>Fiscal Year Ending June 30</u>				
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
1718 North First Street	\$ 43,200	\$ 43,200	\$ 43,200	\$ 3,600	N/A
2119 East Kenwood Avenue	23,173 *	28,735 *	29,884 *	31,080 *	5,213 *
Total	<u>\$ 66,373</u>	<u>\$ 71,935</u>	<u>\$ 73,084</u>	<u>\$ 34,680</u>	<u>\$ 5,213</u>

* Based on the assumption that CPI will increase 4% per year.

Note 5 – Related Party Transactions

Practical Programs, Inc. (d/b/a Downtown Montessori School and Child Care Center) is a for-profit corporation which is solely owned by the executive director of Downtown Montessori Academy, Inc. Practical Programs, Inc. discontinued its school and day care operation in September of 1998.

Practical Programs, Inc. paid certain expenses for Downtown Montessori Academy, Inc. during the period from July 1, 1998 through October 31, 1998. Such advanced expenses comprise the \$8,764 due to Practical Programs, Inc. as of June 30, 1999. No interest is being charged on these advances.

Downtown Montessori Academy, Inc. also had use of assets owned by Practical Programs, Inc during the fiscal year ended June 30, 1999. No rent was paid for the use of these assets.

Note 6 – Income Taxes

The School is not subject to U.S. or Wisconsin income taxes. A federal Form #990 is filed, but no tax is due for the current fiscal year.

DOWNTOWN MONTESSORI ACADEMY, INC.
SUPPLEMENTARY SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	<u>Fiscal Year Ended</u> <u>June 30, 1999</u>
<u>General and Administrative Expenses:</u>	
Advertising	\$ 6,184
Bank charges	912
Dues and subscriptions	30
Legal and accounting	5,328
Liability insurance	4,719
Licenses and permits	1,165
Miscellaneous	822
Office expense	3,283
Personal property taxes	90
Telephone	<u>2,221</u>
Total general and administrative expenses	<u>\$ 24,754</u>

The accompanying notes are an integral part of the financial statements.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

September 7, 1999

To the Board of Directors of
Downtown Montessori Academy, Inc.

We have audited the financial statements of Downtown Montessori Academy, Inc. (a not-for-profit organization) as of and for the year ended June 30, 1999 and have issued our report thereon dated September 7, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial statements audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Downtown Montessori Academy, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. **The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.**

Internal Control over Financial Reporting

In planning and performing our audit, we considered Downtown Montessori Academy, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. **We noted no matters involving control over financial reporting and its operation that we consider to be material weaknesses.**

This report is intended solely for the information of the board of directors, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Hau & Associates, S.C.

INDEPENDENT AUDITOR'S REPORT ON
CHARTER SCHOOL PROGRAM PUPIL ELIGIBILITY

September 7, 1999

To the Board of Directors of
Downtown Montessori Academy, Inc.

We have audited the financial statements of Downtown Montessori Academy, Inc for the fiscal year ended June 30, 1999, and have issued our report thereon dated September 7, 1999. In connection with our audit, we examined the eligibility of pupils enrolled in the Charter School Program. We found all pupils identified by the Wisconsin Department of Public Instruction as participating in the Charter School Program to be eligible.

Hau & Associates, S.C.

KATHLEEN ORTMAN MILLER, S.C.
ATTORNEYS AT LAW

100 East Wisconsin Avenue
Suite 1010
Milwaukee, Wisconsin 53202-4107
Telephone (414) 272-7227 • Facsimile (414) 272-7317

September 4, 1998

Dr. Howard Fuller
Charter School Review Committee
City Hall, Rm. 606
200 East Wells St.
Milwaukee, WI 53202

Re: Downtown Montessori

Dear Dr. Fuller:

This letter is to keep you fully informed of two pending matters concerning our Charter School contract.

Building Permit. As you may recall, the Board of Zoning Appeals had mislaid our original application for a renewal of our building permit. At the time of the Charter School application we talked to personnel at BOZA and they agreed that they would process this application. Since then they have apparently decided that a second building permit may be needed because of the legal distinction between Practical Programs Inc., and Downtown Montessori Academy Inc. Dan O'Callaghan of BOZA informed us that he would schedule a meeting. We expect to be advised of this meeting shortly.

Teacher Certification. Virginia Flynn submitted an application to the Wisconsin Department of Public Instruction for certification. A DPI form letter dated August 19, 1998 stated they were still awaiting the application fee. However, Park Bank informs us that the check cleared on August 12, 1998. DPI informs us that in order for them to process, they need a copy of the cleared check. We will be receiving the cleared check soon with our bank statement. Apparently DPI has no way to trace the check otherwise.

This letter is simply to keep you informed that this process is on going, but the progress on these remaining matters seems to be beyond our control.

Very truly yours,

KATHLEEN ORTMAN MILLER, S.C.

Kathleen Ortman Miller /av

Kathleen Ortman Miller

KOM/aev



State of Wisconsin Department of Public Instruction

Mailing Address: P.O. Box 7841, Madison, WI 53707-7841
125 South Webster Street, Madison, WI 53702
(608) 266-3390 TDD (608) 267-2427 FAX (608) 267-1052
Internet Address: www.dpi.state.wi.us

John T. Benson
State Superintendent

Steven B. Dold
Deputy State Superintendent

March 22, 1999

Virginia Flynn
Downtown Montessori Academy
100 East Pleasant Street
Milwaukee WI 53212

Dear Ms. Flynn:

We congratulate you on the receipt of your charter school implementation grant and hope it will assist you in offering the best possible instructional program.

This is to inform you that, beginning next school year, you will be eligible for other federal entitlement monies, including funds under:

- Title I
- Title II, Eisenhower staff development
- Title IV, Safe and drug free schools
- Title VI, Innovative education strategies
- Individuals with Disabilities Education Act (IDEA)

The DPI will distribute funds to you according to formulas set by federal law. In addition, you may qualify for federal competitive grants. Funds must be used for purposes established in federal law. To qualify for funds, you must meet federal eligibility requirements associated with the programs.

In order to determine the amount of non-competitive (formula grant) funds for which you qualify, the DPI must receive from you by April 5:

- A count of students (ages 5-17 inclusive) enrolled as of the third Friday in October (1998)
- A count of students (ages 5-17 inclusive) enrolled who are from low-income families (students eligible for free and reduced-price lunches under federal school lunch guidelines) – see enclosed.

Information on each program will be sent to you at the time it is sent to other local educational agencies. Questions may be directed to Allen Vick at 608-266-2428.

Sincerely,

John T. Benson
State Superintendent

JTB:jmh

Enclosure

Cc: ✓ Dave Riemer
John Kalwitz
Howard Fuller

**CHARTER SCHOOL CONTRACT
BETWEEN
CITY OF MILWAUKEE
AND
DOWNTOWN MONTESSORI ACADEMY, INC.**

THIS CONTRACT made this 31st day of August 1998, by and between the City of Milwaukee, acting by its Common Council, (hereinafter, "CITY"), 200 East Wells Street, Milwaukee Wisconsin, 53202, and Downtown Montessori Academy, Inc. (hereinafter, "Charter School"), 100 East Pleasant Street, Milwaukee, Wisconsin, 53211.

Whereas, CITY, acting by its Common Council, is authorized by Section 118.40 (2r), Stats., to initiate a contract with an individual or group to operate a school as a Charter School under State of Wisconsin funding provisions set forth in sec. 118.40(2r)(e), Stats.; and

Whereas, on May 5, 1998, the Common Council of the City of Milwaukee passed File Number 971759, a substitute ordinance relating to designation of charter schools and establishing a Charter School Review Committee ("CSRC"); and

Whereas, File Number 971759, when approved by the Mayor of Milwaukee, resulted in the creation of Section 320-41 and Chapter 330 of the Code of Ordinances; and

Whereas, Section 320-41 and Chapter 330 of the Code of Ordinances spell out the powers and duties of the CSRC and set forth the procedures and criteria that the CSRC must use in considering, denying, and approving applications for charter school status; and

Whereas, Charter School has applied for charter school status; and

Whereas, On June 15, 1998, as required by Chapter 330, the CSRC held a public hearing on the application of Charter School for charter school status; and

Whereas, on June 23, 1998, the CSRC, applying the criteria set forth in Chapter 330, determined that the application of Charter School complied with the requirements of Sections 330-5 and 330-7, that Charter School will operate an educational program that has a reasonable prospect of providing Milwaukee children a good education, and that Charter School has an appropriate governance structure, sound system of management, adequate budget and budget process, and a qualified body of administration, teachers, staff; and

Whereas, on June 23, 1998, having made these findings, the CSRC recommended to the Common Council that the application of Charter School be approved; and

Whereas, the Common Council by motion has approved the recommendation of the CSRC to grant the application of Charter School for charter school status; and

Whereas, the parties have successfully negotiated a Charter School contract which, in accordance with sec. 118.40(2r)(b), Stats., contains all of the provisions specified under sec. 118.40(1m)(b)1. to 14., Stats. as well as additional provisions;

NOW THEREFORE, the parties agree as follows:

I. CHARTER SCHOOL HEREBY AGREES TO:

A. The name of the person who will be in charge of the Charter School and the manner in which administrative services will be provided.

Charter School shall be in the charge of the Principal, who shall administratively operate the school on a daily basis. Virginia Flynn shall be the Principal at the time of this signing. Charter School shall immediately notify CITY in the event a different person becomes in charge of Charter School or in the event there is a significant change in the duties of the person in charge. The principal's duties are described in the Charter School Application as:

...Virginia Flynn, as principal of the current Downtown Montessori School, supervises kindergarten and preschool Montessori teachers, specialty teachers, educational assistants, maintenance staff and also supervises interactions with independent contractors such as a dance teacher and music teachers who are permitted from time to time to offer group lessons to children at Charter School. Among the specialty teachers supervised by Ms. Flynn are art and music teachers with Bachelors Degrees. She also supervises assistant teachers, day care providers and other staff. Ms. Flynn hires and fires teachers, coordinates daily activities of children and staff, supplies documentation for state licensing of day care services, trains American Montessori Internationale interns, confers with parents of enrolled and prospective pupils, and the business manager. She is a manager of teachers and an acute observer of interactions between children and teachers as well as a provider of information to the business manager.

B. A description of the educational program of the school.

Charter School shall substantially adhere to the educational program described in the Charter School Application. Charter School shall ensure that all classrooms are equipped with all materials, equipment and supplies required to deliver a valid Montessori program, as interpreted by either Association Montessori International (AMI) or American Montessori Society (AMS). CITY reserves the right to consider a substantial change in the educational program of Charter School to be a violation of this Contract subject to termination under paragraph II.C.2. Charter School shall immediately notify CITY in the event there is a significant change in the educational program described in its Charter School as:

Section II. Educational Program

Charter School will have a Montessori kindergarten and early elementary curriculum, emphasizing hands-on individualized learning. In addition, it will offer music, art, and foreign language. Charter School intends to offer programs from 2½-year old kindergarten through third grade. Charter School will be staffed by certified Montessori teachers, a degreed art therapist and a music therapist. Wrap-around day care will be available at reasonable rates and qualifying for W-2 child care payments.

Charter School's planned academic program is based on the educational model developed by Dr. Maria Montessori. In a Montessori program,

each child's inborn desire to learn is nurtured through the academic program that follows the natural plan of a child's development. Individual learning is emphasized by offering a series of increasingly challenging exercises aimed at allowing pupils to develop their skills in mathematics, language, geography, science, art, and music. Teachers serve as guides, with pupils working at their own pace. Montessori education develops confident children able to work together and respect one another. Added to the regular curriculum will be classes in art, music, and language. Computers will be available for usage to develop hands-on experience.

...

The child is exposed to a wide range of educational opportunities and activities in the Montessori environment. Areas of discovery include:

Practical Life

These activities foster order, activity and independence. Through them, the children learn to care for the person, to care for the environment, and develop grace and courtesy in socially related experiences.

Sensorial Materials

Sensorial materials help the children to refine the use of their senses and enable them to create order and clarity in their sense impression.

Mathematics

Montessori materials and supplies concretely represent quantities in a variety of ways. In the Montessori environment, the children not only see the symbols for numbers but they can also hold each of the corresponding quantities in their hand. Later, by comparing various pieces of Montessori materials, equipment and supplies, they can demonstrate to themselves the basic operation of arithmetic. This activity gives them the satisfaction of learning by discovery rather than by being told. As a result, they develop an enthusiasm for the world of numbers.

Language

The development of language begins with speech and progresses into writing and reading. The sandpaper alphabet is used to teach the phonetic sounds. The geometric insets are used to develop the small muscles as a preparation for writing. The moveable alphabet, phonogram board and the grammar boxes are used to teach analysis of sentences.

Foreign Language

This is a sensitive time for language development. We will have Spanish taught by a trained language teacher.

Geography

The children's first impressions in geography are sensorial: globes, puzzle maps, flags and geographical land formations enable the children

to learn about and become interested in the world in which they live. They also learn about other cultures and how others live.

Science

Experiments in botany and zoology are introduced. Nature studies are conducted both in and out of the classroom.

Art

Classes in art are regularly scheduled under the direction of a trained art teacher. Once the children have been introduced to a particular media, they are free to create within the limits of that media. In addition, art materials, equipment and supplies are always available in the classroom.

Music

Classes in music are regularly scheduled under the direction of a trained music teacher. Children are encouraged to express creativity to music through free expression and the use of Montessori music materials. They learn folk songs and foreign language songs. In addition, they are introduced to a variety of musical and rhythm instruments.

Computers

The school has a computer center with IBM compatible and Macintosh computers and a variety of educational software. The children are allowed to use them at various times of day.

Periodic Programs

Programs will be put on by parents and other community members to demonstrate career opportunities for the children.

Dance

Many of the children take weekly dance for additional fees.

Charter School shall guarantee that its educational program provides at least 875 hours of instruction each school year. Charter School shall guarantee that its educational program provides a sequentially progressive curriculum of fundamental instruction in reading, language arts, mathematics, social studies, science and health.

Charter School shall serve a maximum of 75 pupils, all of whom may attend Charter School under this Contract so long as they are otherwise eligible to attend under sec. 118.40(2r)(c), Stats. Charter School shall serve children in grades K3 through K5. It is understood that Charter School is in the process of long range planning and may expand its program to serve pupils in grades one through three and beyond. Charter School agrees not to increase the maximum number of pupils attending Charter School, under sec. 118.40(2r)(c), Stats. or otherwise, and not to provide services to children in grades one through three without prior written approval of CITY. Charter School shall provide any and all information regarding pupil attendance requested by the CITY at such times and on such forms as may be provided by the CITY.

C. The methods the school will use to enable pupils to attain the educational goals under sec. 118.01.

Charter School shall use the methods described in paragraph B above which is based on the educational model developed by Dr. Maria Montessori to enable pupils to attain the educational goals listed in sec. 118.01, Stats.

D. The method by which pupil progress in attaining the educational goals under sec. 118.01 will be measured.

Charter School shall perform a Montessori learning review of each child.

In the event Charter School expands to serve pupils in grades one or above, Charter School shall administer such examinations as may be required under sec. 118.40(2r)(d)(2), Stats. An annual academic report will be submitted to the CITY by June 30th. Charter School shall pay all costs incurred in the administration, scoring and reporting of results of all examinations, including those required under sec. 118.40(2r)(d)(2), Stats.

Charter School agrees to meet and work with CSRC to develop an accountability plan by which pupils' progress in attaining educational goals will be measured for purposes of paragraph II.C.3. of this Contract.

E. The governance structure of the school, including the method to be followed by the school to ensure parental involvement.

- GOVERNANCE STRUCTURE

Charter School is incorporated under Chapter 181 of the Wisconsin Statutes, without stock and not for profit. The IRS has determined that Charter School is exempt from federal income tax as an organization described in section 501(c)(3). Charter School has submitted to CITY the Articles of Incorporation and Bylaws of Charter School. If either the Articles of Incorporation or Bylaws are modified in any way, Charter School shall forward such modifications to CITY immediately upon said modification(s). Charter School describes the function of the Board of Directors ("Board") in its Charter School Application as:

The Board hires the principal. The principal in turn hires the teaching staff and a business manager

The Board maintains the ultimate responsibility for governance of the school. The principal is responsible for day-to-day management of the school, along with the teachers and the business manager.

- PARENTAL INVOLVEMENT

Parental involvement shall be an integral component of Charter School. Charter School shall hold parent-teacher conferences at least twice during the school year. Charter School may develop policies and procedures to encourage parental involvement and obtain the commitment of a parent or family member to such involvement. Charter

School describes its method of ensuring parental involvement in its Charter School Application as:

The Board and staff understand the importance of parent involvement. All Trustees are current or former parents or staff at the Downtown Montessori School, which traditionally has had extensive parental involvement, including informational demonstrations of Montessori equipment, parents reading to children, parent assembly of playground equipment, and parental access to classrooms and teachers at any time. It is not the Board's intention to mandate a minimum level of parental involvement, but to actively encourage it, believing that involvement by choice is more meaningful than required involvement.

...

Charter School's policy is to strongly encourage parental involvement. This begins with a parent contract signed at the time of enrollment. The contract parents sign pledges a minimum number of hours per year of parental involvement. To date Charter School has not monitored the hours of parental involvement, but it is clear that many put in much more time. It is Charter School's wish to be inclusive of as many families as possible, rather than exclusive. Any standard of involvement stated by us would be regarded as a goal, rather than a mandatory requirement. Charter School would prefer to invest its staff efforts in encouraging efforts rather than requiring them. Nevertheless, if a uniform indicator of parental involvement is adopted as a matter of policy for the City of Milwaukee Charter Schools, we will comply.

F. Subject to secs. 118.40(7)(a) and 118.19(1) and 121.02(1)(a)2., Sttas. the qualifications that must be met by the individuals to be employed in the school.

Charter School shall ensure that instructional staff of Charter School all hold a license or permit to teach issued by the Wisconsin Department of Public Instruction (DPI). In addition to the above requirements, all Montessori teachers are required to have Association Montessori International (AMI) or American Montessori Society (AMS) Montessori training and certification.

G. The procedures that the school will follow to ensure the health and safety of the pupils.

Charter School shall comply with all health and safety laws or codes that apply to public schools. Charter School shall ensure that all of its pupils comply with Wisconsin immunization requirements.

H. The means by which the school will achieve a racial and ethnic balance among its pupils that is reflective of the CITY's school-age population.

Charter School shall periodically advertise its nondiscrimination policy. Charter School shall target its marketing efforts in neighborhoods which may be unrepresented in Charter School's pupil population.

I. The requirements for admission to the school.

Pupils who are enrolled in the Charter School Program shall reside in the City of Milwaukee and shall be eligible for enrollment in the Program only if the pupil meets one of the criteria set forth in sec. 118.40(2r)(c), Stats.

Pupils shall be randomly selected for admission to Charter School, except that preference may be given to continuing pupils and their siblings and for children of current employees of Charter School. Pupils 5 years old and older should have previous montessori experience.

Charter School shall annually maintain a waiting list that contains the names, addresses and phone numbers of all pupils who met the eligibility criteria set forth in sec. 118.40(2r)(c), Stats. but who were not admitted to Charter School. Pupil vacancies shall be filled from the waiting list.

Waiting lists from previous school years may not be carried over and used from one year to the next.

Charter School shall maintain pupil data base information pertaining to each Charter School pupil, including, but not limited to the pupil's name, address, home phone number, place and date of birth, parent(s) or guardian, immunization records, ethnic background, school of last attendance, number of siblings, and emergency contact.

J. The manner in which annual audits of the financial and programmatic operations of the school will be performed.

• AUDIT REQUIREMENTS

CSRC or designee and/or City Comptroller or designee shall have full access to all books and records during normal business hours and upon reasonable notice.

Charter School shall submit to CSRC or designee and/or City Comptroller or designee within 75 days after fiscal year end a complete set of audited financial statements including Balance Sheet, Income Statement and Statement of Cash Flows together with full footnote disclosure. The audit statements shall be prepared in accordance with generally accepted accounting principles and shall be prepared using full accrual accounting. The audit shall be conducted in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Notwithstanding other provisions of this contract, CITY retains the right, with approval of the Common Council, to terminate the Charter Contract should such auditor's opinions be anything other than unqualified.

Additionally, for every school year ending in an odd number, Charter School shall submit to CSRC or designee and/or City Comptroller or designee, an independent auditors' attestation opinion, pursuant to SSAE3, which opinion shall attest to pupil eligibility under the Charter School Program.

All management letters and all other reports of an independent auditor transmitting reportable conditions or advice to management must be submitted to CSRC or designee and/or City Comptroller or designee within 15 days of receipt.

Single audit reports, prepared in accordance with The Single Audit Act of 1984 if applicable, must be submitted to CSRC or designee and/or City Comptroller or designee within 75 days of fiscal year end.

For informational purposes, Charter School agrees to submit to CSRC or designee and/or City Comptroller or designee, within 15 days of receipt any audit, review, compilation, management letter or report of reportable conditions prepared by an independent certified public accountant in response to any other publicly funded program and any audit issued by any other government agency.

Within 75 days of the end of the third school year under this Contract, or at such other time as requested in writing by CSRC or designee and/or City Comptroller or designee Charter School agrees to retain an independent certified public accountant which accountant shall attest (using standards in SSAE3) to the accuracy, validity and reasonableness of academic achievement and programmatic results reported by Charter School to CSRC or designee and/or City Comptroller or designee during the term of this Contract. This information will be used in assessing any renewal options for a charter Contract. CITY retains the right, with approval of the Common Council, to terminate this Contract upon receipt and review of the attestation report.

K. The procedures for disciplining pupils.

Charter School shall establish its own disciplinary guidelines. Those guidelines are set forth in the Charter School Application as:

If a problem persists, a meeting is held with the principal, parents and child. If it seems necessary, there is a referral made to outside resources to assist behavior management therapy, which may occur within or outside the school.

- CHILD DISCIPLINE POLICY

The following is a brief statement on the method of child discipline used by Charter School. It is most important in dealing with children that a consistent environment be prepared for the child. Adult reactions to the child are tested daily. When actions of a child demand correction, it is most important that all adults involved with the child deal with the problem the same way.

The Montessori method encourages children to make choices and develop responsibility for their own actions. Discipline is used to help the child, not to punish. The method of corrective discipline endorsed by Charter School has grown out of the Montessori approach. When a child is involved in actions that are contrary to established rules, the object is to redirect the child to other activities.

Never, under any circumstances, use corporal punishment on a child, including verbal or mental abuse. This will be grounds for immediate termination. Withholding of snacks, lunches or outdoor activities for disciplinary purposes is prohibited.

All staff should serve as role models for the children, reflected in their conduct with the children, other staff, and parents. Each child will be dealt with positively, avoiding showing anger or raising the voice.

The "time out" procedure will be used only if redirection of the child does not work. The length of "time out" should be limited, and the child must sit in full view of staff.

L. The public school alternatives for pupils who reside in the CITY and do not wish to attend or are not admitted to the Charter School.

As required by sec. 118.40(6), Stats.: "Program voluntary. No pupil may be required to attend a charter school without his or her approval, if the pupil is an adult, or the approval of his or her parents or legal guardian, if the pupil is a minor." A pupil who is a resident of the City of Milwaukee who, or whose parents or legal guardian, does not choose to attend Charter School, may attend a school operated and managed by the Milwaukee Board of School Directors.

M. A description of the school facilities and the types and limits of the liability insurance that the school will carry.

Charter School shall be located at the Milwaukee Fortress Building at 100 East Pleasant Street, Milwaukee, Wisconsin 53211.

Charter School represents that this building is adequate to serve a pupil population of 75 and that the building meets all required fire and building safety codes. Charter School shall assume full responsibility for the cost of providing and maintaining this facility.

In the event Charter School anticipates relocating its school, Charter School shall notify CITY in writing at least 30 days prior to the anticipated relocation. Charter School shall ensure that any new facility meets all of the safety codes and standards required under this Contract, including, but not limited to, the occupancy permit referred to in this section, in accordance with applicable timelines.

Charter School shall obtain an occupancy permit for school usage to provide the educational program under this Contract prior to the start of the first day of pupil attendance. Failure to obtain the necessary permit by that date may result in termination of this Contract by the CITY.

Charter School shall comply with all laws and regulations pertaining to asbestos abatement that may apply to Charter School.

• **INDEMNIFICATION**

Charter School shall defend, indemnify and hold harmless CITY, its agents, board members, officers, and employees (the "indemnitee") from and against any and all claims, demands, actions, causes of action, damages and claims of any kind, including but not limited to those for bodily injuries, personal injuries or damages and reasonable attorney fees, arising out of or in any way related to or associated with this Contract or the operation of the Charter

School Program, that is or may be brought or maintained by any individual or entity against the indemnitee, except those caused solely by the negligence of the indemnitee. This indemnification obligation shall not be reduced in any way by the existence or nonexistence, limitation, amount or type of damages, compensation or benefits payable under worker's compensation laws or other insurance provisions. Under no circumstances is CITY's recovery limited due to the fact that CITY is named as an additional insured under any of the Charter School's insurance policies.

- **INSURANCE**

Charter School shall obtain insurance coverage as described below:

Fidelity Bond

Bond Coverage in an amount not less than fifty percent (50%) of the total annual program costs for all Charter School employees and all employees of Charter school subcontractors responsible for financial decisions, including the CEO and CFO and Board Members of the Charter School and all of its subcontractors. Coverage for all Charter School employees, including the CEO and CFO and Board Members

- Limit per Loss \$500,000

Worker's Compensation

- Worker's Compensation - Statutory Coverage
- Employer's Liability Limits

Bodily Injury by Accident	\$100,000 each accident
Bodily Injury by Disease	\$500,000 policy limit
Bodily Injury by Disease	\$100,000 each employee

Commercial General Liability

Each Occurrence Limit	\$1,000,000
Personal & Advertising	
Injury Limit	\$1,000,000
General Aggregate	\$2,000,000
Products-Completed	
Operations Aggregate	\$2,000,000
Medical Expense	\$ 10,000

Commercial General liability shall be on an occurrence from covering the risks associated or arising out of the services provided under this Contract. This insurance is not to have any exclusions, sub-limits, or restrictions as respects coverage for sexual abuse and molestation, corporal punishment, athletic events, and use of gymnasium equipment.

Auto Liability

Business Auto Liability insurance including, but not limited to. Uninsured Motorists. Underinsured Motorists, and contractual liability for risks assumed in this Contract, covering the use of any vehicle in an amount not less than \$1,000,000 per accident.

(Note: Verification of this coverage is needed only if vehicles will be used while providing service under this Contract.)

Combined Single Limit	\$1,000,000 each accident
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Umbrella

Each Occurrence Limit	\$4,000,000
General Aggregate Limit	\$4,000,000

The Umbrella shall provide excess employer's liability, general liability and auto liability coverage.

School Leaders Errors & Omissions

Aggregate Limit	\$1,000,000
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All policies, with the exception of the School Leaders Errors & Omissions policy, shall be written on an occurrence form.

The CITY is to be named as an additional insured under all of the above mentioned insurance coverage with the exception of Worker's Compensation and School Leaders Errors and Omissions. A certificate of insurance evidencing the aforementioned insurance requirements is to be provided to CITY. Certification is to be provided either on the certificate of insurance or by separate letter from the insurance agent or broker that there are no exclusions, sub-limits, or restrictions in coverage as noted in this section. This certification including certificates of insurance is to be provided to the CITY office before services commence under this Contract. Said certificate is to include 60 days advance notice to the CITY prior to any change, termination, or cancellation of the insurance coverage. Insurance companies must be acceptable to the CITY and must have a current A.M. Best rating of A- or better.

The indemnification obligation, however covered by the insurance above, shall not be reduced in any way by existence or non-existence, limitation, amount or type of damages, compensation or benefit payable under Worker's Compensation laws or other insurance provisions. Under no circumstances is CITY recovery limited to the fact that it is named as an additional insured under the Provider's insurance policies noted above.

N. The effect of the establishment of the Charter School on the liability of the CITY.

As between Charter School and the CITY, there shall be no liability on the part of the CITY on account of the establishment or operation of Charter School.

No officer, agent, employee or volunteer of Charter School shall be deemed an officer, agent, employee or volunteer of CITY for any purposes whatsoever.

CITY shall not pay any amount whatsoever to Charter School on account of the establishment or operation of Charter School.

Any payments which may be due to Charter School for the operation of the Charter School Program are the responsibility of DPI. DPI is obligated under sec. 118.40(2r)(e), Stats. to make payment directly to the Principal of Charter School, in September, December, February, and June of each year Charter School participates in the Charter School Program under sec. 118.40(2r), Stats. If, for whatever reason, DPI fails to make any and/or all of such payments to Charter School, CITY, its officers, agents, and employees shall have no responsibility whatsoever to make such payments to Charter School.

Specifically, DPI shall pay to Charter School during each school year of this contract, an amount equal to the shared cost per member in the previous school year of MPS multiplied by the number of pupils attending Charter School under the Charter School Program, sec. 118.40(2r), Stats.

O. Fees for Contract Administration.

Charter School shall pay to CITY any and all reasonable fees that may be assessed from time to time by the CITY to process the application for a Charter School contract or to oversee the Charter School contract. Charter School shall make payment to CITY within 30 days of receipt of the next following payment from DPI to Charter School of invoice from CITY for such fees.

P. Nonsectarian.

Charter School shall be nonsectarian in its programs, admissions policies, employment practices and all other operations. Nonsectarian means that Charter School does not include a pervasively religious curriculum and is not sponsored, administered, or funded by any religious group or organization.

Q. Pupil Tuition and Fees.

Charter School shall not charge tuition for any pupil attending Charter School under the Charter School Program, sec. 118.40(2r), Stats. Charter School is entitled to charge tuition for pupils who are attending Charter School, but who are not doing so under sec. 118.40(2r), Stats.

Nothing in this Contract shall prevent Charter School from operating a Before and After-School Program, a day-care program, or a summer program nor from charging fees for children participating in those programs.

Charter School may require its pupils to purchase and wear uniforms, but Charter School may not profit from the sale of uniforms to pupils.

Charter School may assess reasonable pupil fees (not to exceed actual cost) for activities such as field trips and social and extra-curricular activities.

Charter School may charge a reasonable rental fee (not to exceed actual cost) for the use of personal use items such as towels, gym clothes, or uniforms.

Charter School may not prohibit an eligible pupil from attending Charter School under this Contract, expel or otherwise discipline the pupil, or withhold or reduce the pupil's

grades because the pupil or the pupil's family cannot pay or has not paid fees permissibly charged under this section of the Contract.

Charter School may not charge fees for any of the following:

1. Instruction or registration.
2. Books.
3. Teacher salary.
4. Buildings, maintenance or equipment.
5. Courses credited for graduation.
6. Computers or microfilm readers.
7. Transportation required under s. 121.54(8), Stats.

R. Non Discrimination.

Charter School shall not discriminate in admissions or deny participation in any program or activity on the basis of a person's sex, race, religion, national origin, ancestry, pregnancy, marital or parental status, sexual orientation or physical, mental, emotional or learning disability.

Charter School shall not discriminate against any qualified employee or qualified applicant for employment because of sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status, sexual orientation or familial status. Charter School shall require all subcontractors with whom Charter School contracts to comply with this same nondiscrimination in employment provision and shall require a similar provision to be included in all subcontracts.

Charter School shall comply with the following state and federal laws and regulations:

1. 42 U.S.C. 2000d et seq., Title VI of the Civil Rights Act of 1964 (prohibiting discrimination on the basis of race, national origin, and color).
2. Title IX of the Education Amendments of 1972, 20 U.S.C. secs. 1681 et seq. (prohibiting discrimination on the basis of sex).
3. The Age Discrimination Act of 1985, 42 U.S.C. secs. 6101 et seq. (prohibiting discrimination on the basis of age).
4. Sec. 504 of the Rehabilitation Act of 1973, 29 U.S.C. sec. 794 (prohibiting discrimination on the basis of handicap) and the Americans with Disabilities Act. 42 U.S.C. sec. 12101, et seq.
5. Family Education Rights and Privacy Act, 20 U.S.C. sec. 1232g and sec. 118.125, Stats., (regarding protection of pupil records).
6. The Drug-Free School and Communities Act of 1986, 20 U.S.C. secs. 3171 et seq.
7. All federal and state constitutional guarantees protecting the rights and liberties of individuals, including freedom of religion, expression, association, against unreasonable search and seizure, equal protection, and due process.

S. Background Screening.

Charter School shall perform background screening through the Wisconsin Department of Justice (and similar agencies of other states in the event of present or former out-of-

state residence) on all Charter School full and part-time employees and volunteers and shall not assign any employee or volunteer to teach or work with pupils until Charter School investigates and determines that there is nothing in the background of the employee or the volunteer which would render the employee or volunteer unfit to teach or work with pupils of Charter School, including, but not limited to, conviction of a criminal offense or pending charges which substantially relate to the duties and responsibilities assigned to the employee and/or volunteers.

For purposes of this Contract, volunteer means a non-paid person who serves under the supervision of Charter School and who provides services on a regular and ongoing basis or for more than 5 hours a week. It does not apply to those parents and/or other adults who are one-time volunteers for field trips or other one-time only activities in Charter School.

T. Right to Inspect and Receive Requested Information and Reports.

Charter School shall grant CITY or its designee the right to inspect Charter School facilities or to review any Charter School records at any time during the term of this Contract.

Charter School shall give such information at such times and on such forms as may be requested by CITY or its designee concerning any of the operations of Charter School.

Charter School shall generate and provide such reports at such times and concerning such matters as may be requested by CITY or its designee concerning any of the operations of Charter School.

U. Calendar.

Charter School shall operate under the calendar for the 1998-99 school year which is attached hereto as **Appendix A** and incorporated herein by reference. Charter School shall provide CITY with a school year calendar for an upcoming school year prior to the conclusion of the preceding school year.

II. TERM AND MODIFICATION OR TERMINATION OF CONTRACT

A. Term.

The term of the contract is five (5) school years commencing with the 1998-1999 school year and ending on the last regularly scheduled school day in the 2002-2003 school year. This Contract is contingent on the approval of the Common Council of the City of Milwaukee. This Contract shall become effective upon approval by the Common Council and execution by all appropriate persons.

B. Modification

This Contract represents the entire agreement reached between the parties. This Contract can be modified only upon mutual agreement reached between the parties and reduced to writing.

C. Termination.

This Contract may be terminated before expiration of its term upon any of the following circumstances:

- BY BOTH PARTIES:
 1. Both parties agree in writing to the termination.
- BY CITY:
 2. CITY determines that Charter School violated this contract.
 3. CITY determines that pupils enrolled in Charter School have failed to make sufficient progress toward attaining the educational goals under sec. 118.01, Stats.
 4. CITY determines that Charter School has failed to comply with generally accepted accounting standards of fiscal management.
 5. CITY determines that Charter School has violated sec. 118.40, Stats.
- BY CHARTER SCHOOL:
 6. Charter School does not receive a payment from DPI required to be made under sec. 118.40(2r)(e), Stats.

If this Contract is terminated under the first ground (because both parties agree in writing to the termination) the termination shall become effective on a date agreed to by the parties. If this Contract is terminated under the second through fifth grounds (because of a determination on the part of the CITY) the termination of this Contract shall not become effective until, at a minimum, the end of the semester in which notice of termination is given, unless, in the discretion of CITY termination should become effective sooner. If this Contract is terminated under the sixth ground (because of failure of Charter School to receive state funding) termination shall become effective on the date notice is received by CITY.

In the event of termination of this Contract, written notice by certified or registered mail, return receipt requested, shall be provided which shall list the reason(s) for termination and the effective date of the termination.

III. CONTRACT ADMINISTRATION, NOTICE AND PROVIDING OF INFORMATION

Unless specified otherwise in this Contract, acts of discretion including, but not limited to, any approval required under this Contract or determination to termination of the Contract, to be made on behalf of the CITY, are to be made by the Common Council of the City of Milwaukee.

Unless specified otherwise, whenever under this Contract notice must or may be given to the other party, or whenever information or reports may or must be provided to the other party, the party who may or must give notice or provide information or reports shall fulfill any such responsibility under this Contract if notice is given or information or reports is provided to:

TO CITY:

Charter School Review Committee
200 East Wells Street, Rm. 606
Milwaukee, WI 53202
Attn: Mr. David Riemer
Department of Administration

TO Charter School:

Ms. Virginia Flynn, Principal
Downtown Montessori
100 East Pleasant Street
Milwaukee, WI 53211

A party to this Contract shall immediately give written notice to the other party if the contact person for purposes of notice and providing information is modified.

IV. STATUTES

Whenever under this Contract reference is made to a provision in the Wisconsin Statutes and such provision is subsequently amended by the Wisconsin Legislature, such reference in the Contract shall be deemed to be amended to conform to the new law.

V. SEVERABILITY

If any term or provision of this Contract shall be found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Contract, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties herein set forth.

VI. CHARTER SCHOOL APPLICATION

The CITY reserves the right to hold Charter School to any of the representations or assurances made by Charter School in its Charter School Application or other papers submitted in support of its Charter School Application, regardless of whether such representations or assurances are contained in this Contract. Charter School's failure to the representations and assurances made in Charter School Application and other supporting papers shall constitute a violation of the contract. Charter School Application and other supporting papers shall be kept on file in the office of the Department of Administration, 200 East Wells Street, Room 606, Milwaukee, Wisconsin 53202.

VII. APPENDICES

The following documents are hereby made part of this Contract and Charter School agrees to abide by all the terms and conditions herein.

Appendix A:

Charter School Calendar for 1998-1999 School Year